



# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, FEBRUARY 11, 1997

AT  
(202) 616-2771  
TDD (202) 514-1888

## **JUSTICE DEPARTMENT CHARGES 10 WEST COAST COMMERCIAL CRAB FISHERMEN WITH PRICE FIXING**

### **Consumers in California, Oregon and Washington Paid More for Crab**

WASHINGTON, D.C. -- Ten West Coast commercial crab fishermen were charged today by the Department of Justice with leading an illegal conspiracy to raise the sales price fishermen were paid by crab processors and boycotting all processors until they agreed to pay that fixed price for crab. As a result, consumers in California, Oregon and Washington paid more for crab.

The conspiracy also resulted in a significant reduction of the amount of crab available for sale to processors during December 1995--the first full month of the 1995/96 West Coast crab fishing season.

The Department's Antitrust Division and Attorneys General from Oregon, California and Washington filed a joint antitrust suit and a proposed settlement today in U.S. District Court in Portland, Oregon. The consent decree, if approved by the court, would settle the suit. Under the proposed settlement, the fishermen will reimburse the three states a total of \$90,974 for attorneys fees and investigative costs.

"The states took the lead in this matter, and utilizing their special statutory authority, they required the fishermen to

reimburse them for their fees and costs," said Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "This is the first time this type of remedy is being used in this industry, and it should provide additional deterrence against such conduct in the future."

The 10 commercial crab fishermen charged in the suit are:

- Jerry Hampel and Jeff Mulkey of Coos Bay, Oregon.
- Brad Pettinger, Joseph Speir and Todd Whaley of Brookings, Oregon.
- Allen Gann, Russell Smotherman and Dennis Sturgell, of Astoria, Oregon.
- Richard Sheldon of Ilwaco, Washington.
- Thomas Timmer of Crescent City, California.

Each year, more than \$10 million of seafood is sold to purchasers in the major fishing ports in California, Oregon and Washington.

According to the complaint, the 10 fishermen were leaders in persuading other commercial fishermen on the West Coast to agree to a minimum sales price of \$1.25 per pound for crab, and to not begin fishing until all of the West Coast processors had agreed to pay that price. The conspiracy was carried out through a series of meetings that took place during the months of November and December 1995 in fishing ports including, Ilwaco and Westport, Washington; Astoria/Warrenton, Newport, South Beach, Charleston and Brookings, Oregon; and Crescent City and Eureka, California. The conspiracy also was implemented through a series of telephone calls which took place during November and December 1995 and January 1996.

Some of the fishermen charged sought to enforce the pricing agreement by threatening physical or economic harm to any

fishermen who were not willing to go along with the agreement. As a direct result of this agreement and efforts by those charged and others to enforce it, the vast majority of commercial fishermen on the West Coast did not fish for crab during December of 1995, the complaint said.

The proposed consent decree prevents the 10 men from participating in any discussion, communication or agreement with other fishermen, regarding the price or sales terms to be negotiated with purchasers except as members of a fishermen's marketing association formed under the Fishermen's Collective Marketing Act or similar state statutes. The men also must not discuss or agree on refraining from fishing while commercial fishermen are negotiating prices with purchasers. They are prohibited from threatening any other commercial fisherman's business.

Klein said that this case is another excellent example of effective state-federal cooperation in halting cartel behavior that raises prices.

This matter is being handled by the San Francisco Office of the Antitrust Division. The term of the consent decree is five years. Public comment on the proposed decree is invited within the 60-day statutory comment period. Interested persons may address comments to Christopher S Crook, Acting Chief, San Francisco Office, U.S. Dept. of Justice, Antitrust Division, Box

- 4 -

36046, 450 Golden Gate Avenue, San Francisco, California 94102  
(telephone: 415 436-6660).

###

97-060